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**Idaho Legislative Services Office
Legislative Audits Division**

**IDAHO BOND BANK AUTHORITY
90 DAY FOLLOW-UP**

On May 1, 2008, the Legislative Services Office released an audit report for the Idaho Bond Bank Authority for fiscal year 2007. The Authority was contacted on July 29, 2008, and this report addresses how it has responded to the two findings and recommendations contained in that report.

FINDING #1

Material errors existed in the financial statements due to the lack of an accounting system and accounting expertise within the Authority.

We recommend that the Authority implement an accounting system, in accordance with generally accepted accounting principles, that meets the requirements of the Master Trust Agreement. We also recommend that the Authority seek additional accounting expertise to develop appropriate internal controls and to ensure that financial statements are properly prepared.

AUDIT FOLLOW-UP

The Authority has hired an independent accounting firm to maintain monthly accounting records and to compile financial statements. The financial statements will be reviewed by the Authority's executive director. The executive director is seeking training opportunities to ensure that a proper review of the financial statements is completed. This finding remains open until current financial information compiled under the new process is available for review.

STATUS – OPEN

FINDINGS #2

Cost of salaries and fringe benefits provided by the State Treasurer's Office are not disclosed in the Authority's financial statements as required.

We recommend that the Authority comply with generally accepted accounting principles by disclosing in its financial statements the value of on-behalf payments made by the State Treasurer's Office.

AUDIT FOLLOW-UP

The State Treasurer's Office has implemented a process to track employee time spent providing services for the Authority. An independent accounting firm, hired to maintain the accounting records, will convert the hours to salaries and fringe benefits and include this information in the financial statements. This finding remains open until current financial information compiled under the new process is available for review.

STATUS – OPEN